

J-29-J	7/1/98		
SUBJECT: Merchandising Programs - Retailer Letter			
DISTRIBUTION:			
<input checked="" type="checkbox"/> AVP	<input checked="" type="checkbox"/> KAM	<input checked="" type="checkbox"/> DM	
<input checked="" type="checkbox"/> RSM	<input checked="" type="checkbox"/> AM	<input checked="" type="checkbox"/> RM	
<input checked="" type="checkbox"/> RBM	<input checked="" type="checkbox"/> AE	_____ Sales Rep	
<input checked="" type="checkbox"/> ROM		_____ Retail Rep	

Sales		Retail	
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PC MC SC FA  
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The following retailer letter was U.S. mailed to all "non-contract" accounts with an industry volume of less than 99 cartons per week. (For chain stores, letter was sent to Chain Headquarters.) The purpose of this letter is to notify retail accounts that we offer programs on a fair and equitable basis.

All incoming retailer calls will be handled by the Consumer Relations Hotline. The retailer information will then be forwarded to the appropriate ROU for distribution to the Sales Representative. It is strongly suggested that the retail account be contacted by telephone to determine the viability of the retail inquiry. Appropriate steps can then be taken based upon the opportunity.

Program Contact: John Boehm, extension #2040

J-29-J

June 29, 1998

TO OUR CUSTOMERS:

R. J. Reynolds Tobacco Company ("Reynolds") depends on cigarette retailers to get our brands to adult smokers. For you, the sale of our brands to adult smokers could be an important source of revenue for your business.

Because Reynolds recognizes the vital role cigarette retailers play in our business, we have designed a wide variety of merchandising programs for cigarette retailers. For those retailers who do little cigarette business and carry cigarettes simply as a convenience for their adult customers who smoke, we understand that you might not be interested in looking at our merchandising programs. But if you are interested in looking at our merchandising programs and would be willing to satisfy the requirements for participation, please call us. Our representative will be happy to review plan alternatives with you and, if you would like, give you guidance and assistance in getting your cigarette sales volume to a higher level.

Remember we offer a number of different programs flexible enough to accommodate a wide variety of retail store designs and shelf space configurations. If you are already working with us on a merchandising contract, we urge you to consider the financial benefits of increasing your retail focus on the Reynolds brands.

R. J. REYNOLDS TOBACCO COMPANY

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